

APPLYING STRATEGIC MANAGEMENT PRACTICES IN THE HIGHER EDUCATION INSTITUTIONS OF UZBEKISTAN

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Abstract

The article discusses the perspectives of applying strategic management methods in the management of higher educational institutions (HEIs) in Uzbekistan. The author examines current trends in the higher education market, problems of the internal environment of the sector and challenges of the external environment, as well as existing problems in the activities of HEIs in the country. The objective need to introduce strategic management in universities is justified. As a result of the study, a strategic management model and a sample strategic plan for HEIs in Uzbekistan are developed.

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Introduction. The continuous and rapid changes taking place on a global scale in recent years have a significant impact on the activities of any organization, be it a government organization or a representative of the private sector. In conditions of uncertainty, plans, goals, forecasts, developed strategies for the near medium- and long-term period will quickly lose their significance or, at least, will require serious changes and adaptation to the new status quo. In the most pessimistic scenario, the organization may not survive. To survive in such a rapidly changing external environment, in order to remain competitive and stable, organizations must be able to know and analyze the internal and external environment well, quickly and rationally respond to changes in the external environment, regularly improve their aspects that differ from competitors, and the organization must be thorough and flexible. It is important to stick to the strategy. And strategic management is just that – it is a set of decisions and actions that serve the survival and sustainable development of an organization in a changing external environment.

Together with rapid changes and transformations on a global scale, fierce competition for outstanding talent, new era reforms in Uzbekistan, including the modernization of the education system in accordance with the processes of economic reforms, structural renewal, modernization and diversification, further improvement of the material and technical base of educational institutions and increase personnel quality remains one of the main areas of reform. Universities of Uzbekistan are faced with the need to reform their management systems in the context of an expanding market for higher education services, increasing competition between

state and non-state universities, as well as increasing autonomy of universities, in particular, autonomy in the formation of their own structure and educational programs.

In addition, in the Strategy “Uzbekistan-2030” approved by Presidential Decree No. 158 of September 11, 2023, “Concept for the development of the higher education system of the Republic of Uzbekistan until 2030” approved by Presidential Decree No. 5847 in 2019, and Presidential Decree “On measures for the further development of the higher education system” adopted in 2017, Presidential Decree “On measures to introduce new management principles in the system of higher and secondary specialized education” adopted in 2019, Presidential Decree “On measures to reform management in higher education and secondary specialized education”, the resolution of the Cabinet of Ministers “On the phased transfer of higher educational institutions to the self-financing system” and a number of other documents aimed at improving the activities of the country’s universities among the leading universities in the world, including improving the management system and introducing modern management methods and tools to achieve the strategic goals.

The “Concept for the development of the higher education system of the Republic of Uzbekistan until 2030”, adopted in 2019, defines the strategic goals and main directions for the development of higher education in the country. According to the concept, the main directions for the development of higher education in the republic until 2030 include ensuring the financial independence and sustainability of universities, strengthening material and technical support, improving their systemic development and management activities, increasing investment attractiveness and ensuring the competitiveness of the sector [1].

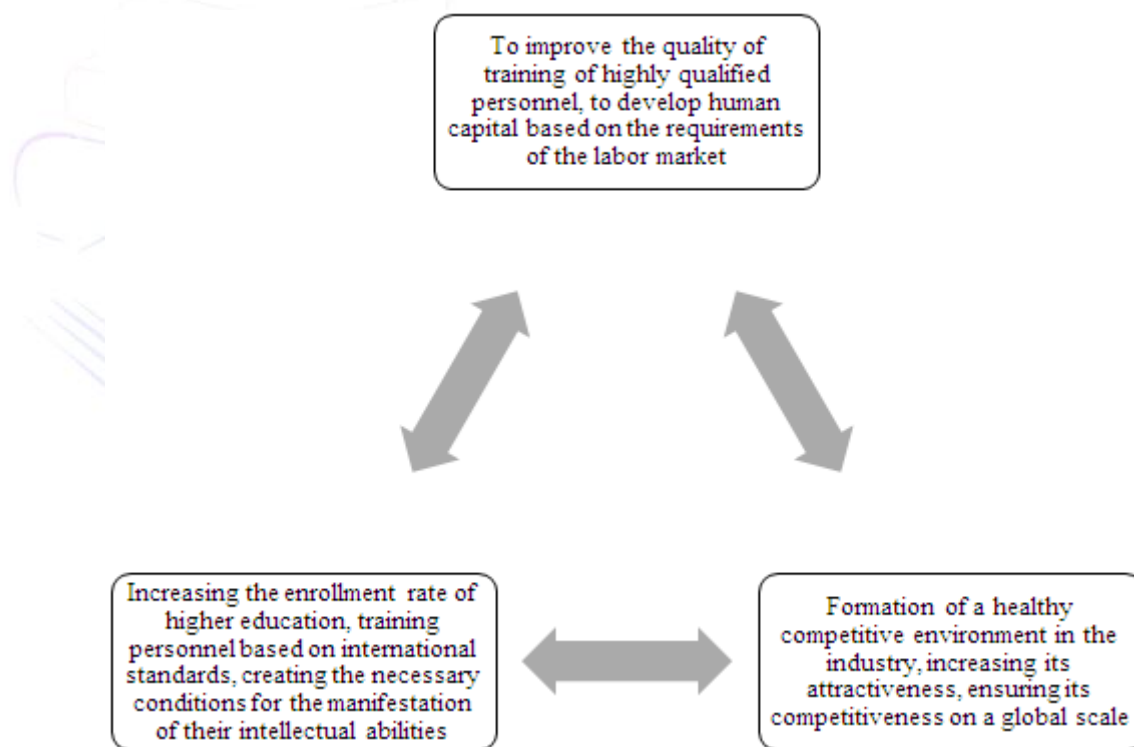


Figure 1. Strategic goals for the development of the higher education system in accordance with the “Concept for the development of the higher education system of the Republic of Uzbekistan until 2030.”

Moreover, in accordance with the strategic directions provided for in the concept, within the framework of the “Uzbekistan-2030” strategy, it is envisaged to include universities of Uzbekistan among the world’s leading centers of science and education, in particular:

- international accreditation of educational programs of 30 higher educational institutions;

- introduction of a “double degree system” based on at least 50 joint educational programs in cooperation with foreign universities included in the “Top 500”;
- include 10 higher educational institutions in the “Top 1000” ranking of the most prestigious universities in the world [2].

These tasks require the country’s universities to radically improve their activities, bring the content of education in line with international standards, and also be competitive in all aspects in order to overtake competing universities in the rankings.

Literature review. Almost all existing problems in the activities of universities in Uzbekistan are closely related to each other along a “cause-and-effect” chain. The search for their most rational solution requires in-depth additional analysis with the participation of not only economists, but also experts in the field of education, business, sociologists and psychologists. When solving existing problems is approached from a management perspective, the first step in this regard may be to provide a certain degree of independence to the management of the organization. Management systems play an important role in reforming the organizational structures and activities of universities in accordance with the requirements of today and world standards. According to research, the role of administrative management in universities, in particular planning, organizing, directing, monitoring execution, ensuring the achievement of organizational goals, in improving the quality of the organization’s activities is estimated at 29 percent [3]. In addition, improvements in HEI quality include teaching (12 percent), student performance (18 percent), support services such as infrastructure and documentation (13 percent), research (14 percent) and social impact HEIs (14 percent) contribute significantly contribution.

One of the most important tasks in improving the activities of the country’s universities and adapting them to the requirements of the modern education market, preparing for the expected competition with leading universities in the world is to develop organizational strategies that provide for appropriate changes in these academic structures. The development of an organization’s strategy, its implementation and monitoring of achieved results within the framework of strategic goals are the main stages of the strategic management process.

Recent studies on strategic management in higher education emphasize the need to focus on specific aspects of higher education organizations that differ them from the business sector. In fact, as foreign experience shows, the strategic plans of universities do not include targets related to increasing university revenues or maximizing profits. Target indicators of organizations are formed primarily around issues of improving the quality of education and scientific research, their role and influence in the development of society, increasing resource potential, expanding international relations and communication with society. In addition, higher education institutions must adapt strategic management practices based on the context in which they operate — the local higher education market.

Discussion. In a country that does not have a competitive higher education system, there is a high probability that the brain drain process will intensify, with young people with high potential going to developed countries to realize their full potential. Competitive, world-class universities can attract outstanding talent from different parts of the world and they will make a significant contribution to the development of the country in which the university is located. From this point of view, world-class universities can be considered as valuable capital of the country. World-class research and quality education will become the most powerful weapons in the successful promotion of higher educational institutions of the republic to the world level. It should be noted that today there is an urgent need to review and improve the organizational structure of the industry, relevant legislation and mechanisms for allocating resources allocated to the industry, in order to bring the higher education sector of Uzbekistan to the world level. This is explained by the strong transformation and uncertainty in the global higher education and labor market, as well as the challenges arising in the new context of socio-economic processes and relations in the country.

In fact, universities in Uzbekistan are currently facing a number of challenges from the internal and external environment. We will list some of them below.

Changes in the demographic structure of the student population. In recent years, the country has seen an increase in the average age of students due to a sharp increase in enrollment in higher education institutions and the introduction of non-traditional forms of education – correspondence, evening and distance learning.

In particular, after the 2016-2017 academic year, analyzing the structure of students by age groups, one can observe a significant increase in the number of students aged 24-29, as well as a sharp increase in the number of students aged 30-39 (Figure 2). This trend, in turn, will affect the traditional teaching methods used in universities. In this context, higher education institutions require certain changes in their organizational and management structures to optimize the educational process and ensure quality.

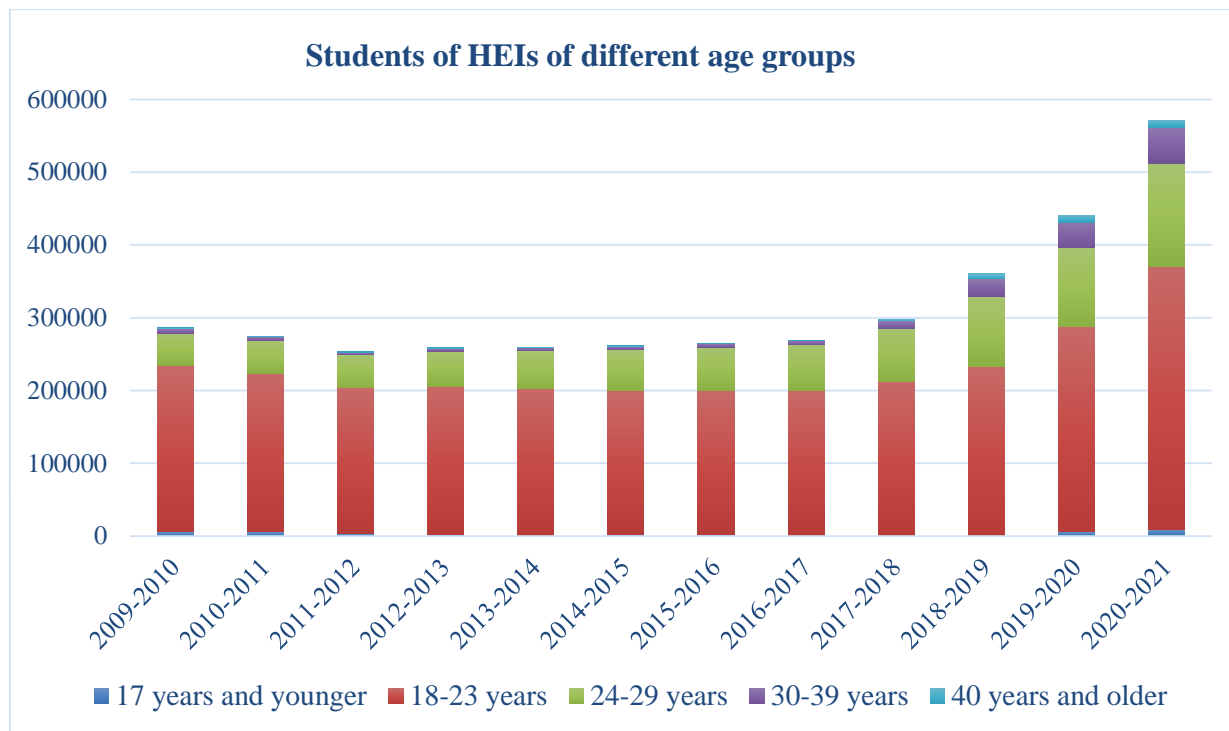


Figure 2. Structure of university students by different age groups [4].

1. *The rapid growth of the student population and the fact that the resource potential of universities is not increasing at a corresponding pace.* The extraordinary increase in the capacity of universities has in many cases occurred without taking into account their capacities, physical and human resource potential. This leads to a decrease in the ability of students to use the necessary material and technical base during the educational process and an increase in the workload of the teaching staff. In particular, the number of students per teacher in higher education doubled from 11 to 22 between 2016 and 2022 [5]. Also, according to the Ministry of Higher Education, Science and Innovation, in 2016-2023 the shift rate of higher education institutions doubled [6]. Even if we assume that expanding admission quotas will lead to an increase in the income of universities, which will allow them to correspondingly increase their resource potential, this is a labor-intensive process that will most likely be achieved at the expense of the quality of education over a certain period of time.
2. *Strengthening and deepening of competition.* The expansion of the higher education market has significantly increased competition between local universities to attract students and qualified teachers. At the same time, the widespread popularity of modern professions in the age of information and digital technologies forces universities to compete with language centers and non-state educational institutions that train modern professions. In addition, in conditions when the strategic goals of state policy aimed at

the development of higher education provide for the placement of local universities among world-class universities, universities in Uzbekistan must be prepared to compete in the global higher education market.

3. *Complex systems of subordination and accountability.* The country has a unified state policy in the field of education, especially higher education, in turn, the system gives priority to public administration. A multi-level hierarchy of government agencies with authority to manage the system creates a complex system of accountability. At the same time, this limits the ability of universities to independently determine the “fate” of the organization, quickly respond to changes in the external environment and make strategic decisions. Complex systems and accountability requirements and bureaucratic mechanisms waste a lot of time and resources. In addition, the current accountability system makes university management structures unable to adapt to changing conditions, make independent decisions about long-term goals and objectives, and study consumer needs based on analysis of the educational services market. The reason is that in such conditions, management structures are dominated by operational management tasks, short-term goals and objectives, and the process of making management decisions takes a lot of time due to multi-level nature and bureaucracy.

At the same time, despite the fact that the Ministry of Higher Education, Science and Innovation is the main competent government body in the system according to the current legislation, the Cabinet of Ministers has absolute powers in managing the industry, in addition, the fact that a number of higher education institutions are located outside the jurisdiction Ministry of Higher Education, significantly limits the independence of the Ministry’s decision-making and leads to the dispersion of management and relevant information in this area.

4. *Technical and technological growth.* Rapid technical and technological growth can lead to a decrease in the competitiveness of universities in terms of both physical and human capital. In particular, the “Concept for the development of the higher education system of the Republic of Uzbekistan until 2030” notes the low level of skills of teaching staff in the use of foreign languages and information and communication technologies, the scientific potential of universities is only 36,4 percent (2019; 39,3 percent for 2023 [7]). In educational institutions, insufficient funds are allocated for updating educational and scientific laboratories, repairing buildings and structures, existing dormitory facilities and social infrastructure, and lack of adaptation to the needs of foreign students is among the main challenges of the industry [1]. All this indicates that there is an urgent need to radically improve and increase the resource potential of universities.

The academic staff and infrastructure in the organization, as an important factor in ensuring the quality of education and research work, are crucial in increasing the attractiveness and competitiveness of universities. Rich infrastructure creates a stimulating, inspiring learning environment at universities, helping students develop the skills to independently search and study information and resources. It connects faculty, students, and researchers to the world’s most prestigious and leading academic centers, expanding access to the latest and most trusted information and resources. In particular, it can make a significant contribution to improving the quality of scientific research. It should be noted that the main emphasis in increasing the scientific potential of universities is on the research activities of professors, the publication of their results in prestigious domestic and foreign journals, and a focus on increasing the citation index, while increasing the quality of conducted scientific research can also cause some unexpected negative consequences in world practice. In particular, encouraging professors and lecturers to spend more time and resources on research through external monitoring has led to the neglect of potential deficiencies associated with their teaching and learning process, resulting in a decline in the quality of education [8].

5. *Current trends in the labor market.* In the labor market, the requirements employers place on modern personnel are increasingly changing. The emphasis in employment is shifting from narrow professionalism based on theoretical knowledge to practical and modern skills, in particular soft skills such as creative and critical thinking, problem solving, individual and team work. In a number of

developed countries around the world, higher education is being excluded from the list of requirements for employment, and its place is being taken by mainly soft skills. This, in turn, points to the need for universities to review the educational content and academic programs they offer and adapt them to the requirements of the modern labor market. It is worth noting that practical skills can be formed and developed in the context of traditional educational technologies, but the one-sidedness of education in Uzbekistan in terms of content – it is based on theoretical knowledge, problems associated with the necessary infrastructure and the lack of widespread use of modern methods of teaching and organizing lessons can become a serious limitation in this regard. In addition, centralization associated with determining the content of education may cause certain difficulties for universities when independently making appropriate changes to curricula or changing the focus in organizing the educational process.

6. *Society's attitude towards higher education.* There are different views and attitudes towards higher education in society. Considering a document confirming higher education as a guarantee of employment, therefore considering the quality of education, knowledge acquired during training, as a “second-level” issue, or considering higher education only as a means of increasing future income, in this regard, assessments are widespread among members of society the costs of higher education as high and ineffective, as well as skepticism about its necessity. This, in turn, affects the demands made by consumers on the quality of educational services in universities, and leads to a lack of incentives for universities to improve their activities. Higher education is not only a means of teaching a profession or increasing future income, it creates, teaches and disseminates knowledge that serves the interests and development of society. Universities need to educate knowledge holders who will contribute to the socio-economic development of the country. The formation of such superficial views on higher education can be explained by various socio-economic, cultural and other factors. Today, when knowledge is the main driving force of the economy, the greatest wealth of the country, increasing the influence of science and education in society, as well as knowledge holders, is one of the primary conditions for creating an incentive for the accumulation of high knowledge potential and high-quality human capital.

The above-mentioned and other similar problems cause serious systemic problems in the work of universities in the country. Most of these problems are interconnected, and by getting to the root cause and essence of one problem and finding a solution, a number of shortcomings can be eliminated. Management problems in universities arise partly from the strong centralization of local management. Limited powers to make strategic decisions regarding universities paralyze and ultimately make the management structures of organizations incompetent. In addition, the lack of mutually constructive communication between different levels of management and faculties and other stakeholders in higher education institutions can hinder the rapid and reliable exchange of information and objective assessment of organizational performance.

Digital technologies have caused dramatic changes in the structural structures of national economies on a global scale. New growing industries are rapidly entering the economy of Uzbekistan and gradually expanding. As a result, the demand for specialists in the labor market is undergoing certain changes in composition and content. However, the process of adapting the content of education to the new requirements of the labor market in the field of higher education, which is considered the main source of supplying the labor market with qualified specialists, is occurring at a relatively slow pace. In short, socio-economic processes in the country are adapting to the requirements of the time faster than education. This can lead to a paradoxical situation in the labor market – a “talent shortage” and at the same time an increase in unemployment.

World Bank research shows that young people who complete an 11-year education in Uzbekistan actually have the knowledge and skills equivalent to a 9-year education [9]. Additionally, about 36 percent of candidates who applied for bachelor's degrees in 2021 [10] and about 48 percent as of 2022 did not even achieve a passing grade [11]. This means that the majority of students admitted to HEIs are actually unprepared for higher education. Insufficient knowledge of students entering higher education institutions

and insufficient development of self study skills among students have a significant impact on the quality of education and aggravate existing problems.

In addition, in recent years, the teaching load on professors and teachers, who are considered the main resource in organizing the educational process, has been increasing. Imposing excessive teaching loads on professors and teachers, while at the same time loads not related to teaching process, require a lot of time and effort from them, limiting their ability to engage in personal and professional development. In addition, the private sector is becoming increasingly attractive in terms of remuneration for professors and teachers. In such conditions, the risks of transition of qualified professors and teachers

from public universities to the private sector and the potential of human resources of public universities will be reduced.

Cooperation between universities and the business environment regarding the commercialization of scientific research and development directly depends on the quality of the research, its scientific basis and how high the probability of the achieved result is. However, insufficient infrastructure development negatively affects the quality of scientific research, as well as the educational process. Lack of research funding reduces incentives for research scientists to work on high-level scientific research, experiments, and in-depth analysis. All of these problems will ultimately affect education and reduce the competitiveness of universities, and, consequently, the attractiveness of the country's higher education system.

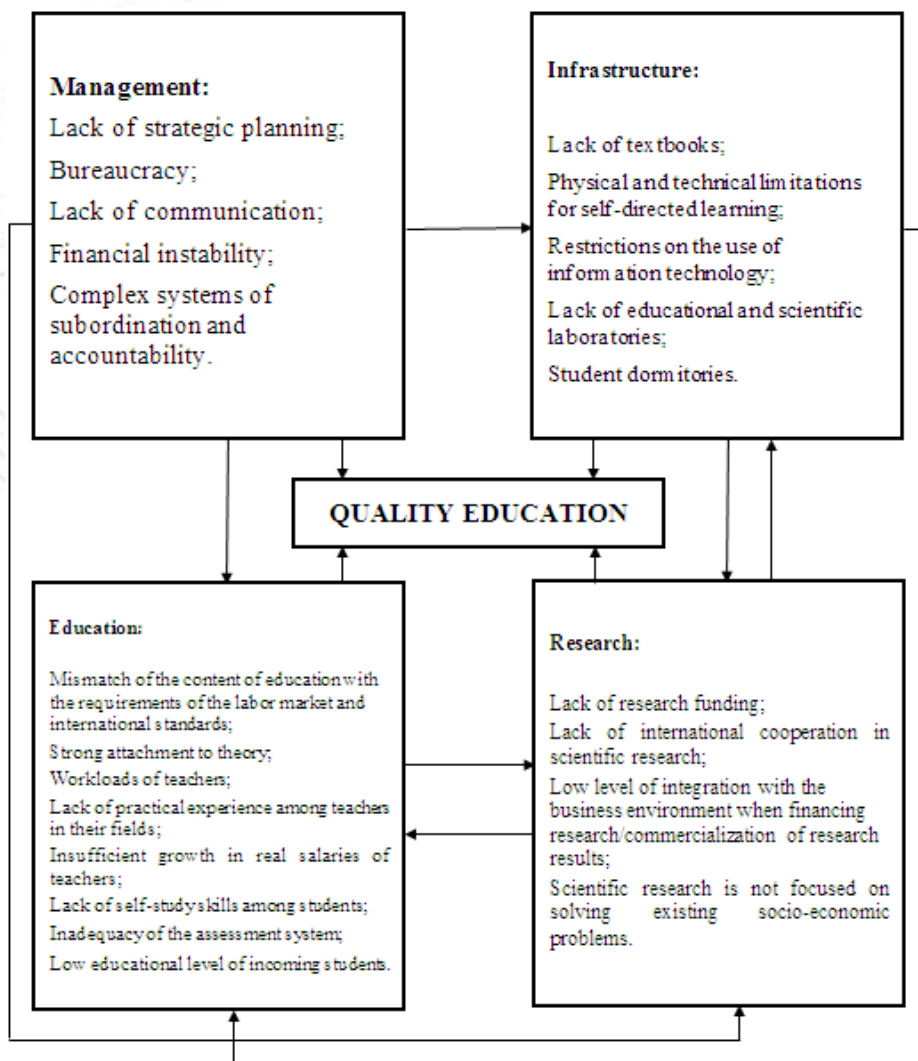


Figure 3. Main problems associated with the activities of universities in Uzbekistan.

Results. The development of HEI strategy can be considered as the basis of the strategic management process. At this stage, before formulating an appropriate strategy, it is advisable to appoint a team of specialists responsible for developing the strategy and a team leader, as well as determine the period for developing the strategy. It is important to take time to develop a strategy so that it reflects the organization's goals, vision and values for future activities, that it is scientifically, practically and financially sound, thorough, flexible, and that the set of goals is within the capabilities of the organization. The team of specialists responsible for developing the strategy should include representatives of individual departments directly related to each aspect of the organization's activities (educational and methodological activities, scientific activities, marketing activities, work with students, etc.). They play an important role in determining whether the part of the strategy that relates to their activities, as well as the goals and objectives set in this regard, are consistent with the organization's capabilities. In general, it is important to ensure the direct or indirect participation of all stakeholders in the process of developing a university strategy, at least their awareness of the chosen strategy.

The strategic management process begins with an analysis of the internal and external environment in order to obtain the necessary primary information for developing the organization's strategy (Table 1). This can be done in any way, including the popular SWOT analysis method. This requires a comprehensive analysis and objective assessment of the organization's goals, directions of activity, its current state, internal and external environmental factors affecting its activities, as well as the current situation in the external environment. In this way, it will be possible to assess the potential and capabilities of the organization, create a clear picture of existing shortcomings and problems in the external environment and, finally, determine the future direction.

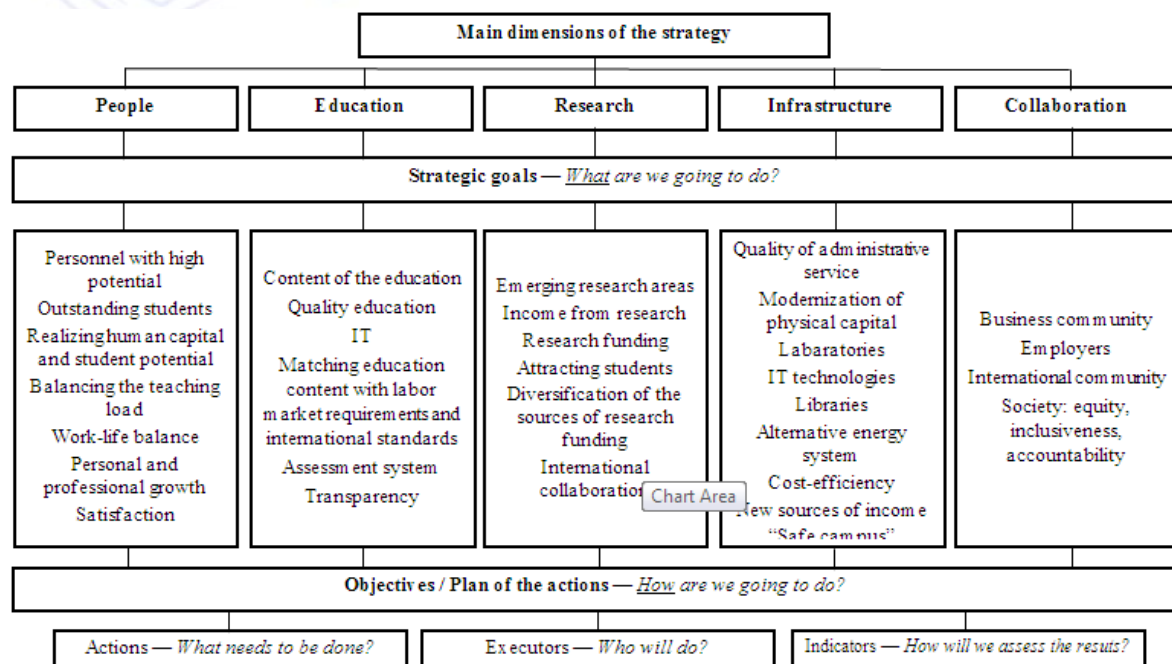
At the next stage, by processing and analyzing the collected information, possible solutions to existing problems and measures to respond to expected threats from the external environment are considered. This allows an organization to formulate more than one alternative strategy based on different scenarios for its future operations. After this, among the alternative strategies, the most suitable one is selected and approved for implementation. It should be noted that, without completely abandoning alternative strategies, you can keep them "in reserve", periodically review the chosen strategy or make certain adjustments to it.

The next stage, the strategy implementation stage, involves the strategic planning process. At this stage, a "road map" is developed – a strategic plan for implementing the chosen strategy into the organization's activities. The strategic plan must clearly reflect the main directions of the chosen strategy, strategic goals, objectives and measures defined within the framework of these goals, their implementers, methods and indicators for assessing results and other elements of the strategy. Once a strategic plan has been developed, it is advisable to seek the views of the individual agencies responsible for its implementation to assess its quality and feasibility. Based on the feedback received, certain changes can be made to the plan if necessary, after which it can be implemented.

No matter how well and efficiently an organization's strategy and strategic plan for its implementation are developed, slowness, inconsistency or neglect of the implementation process can reduce its significance and effectiveness in practice or cause it to remain on paper. In this context, it is important to effectively manage the implementation process of the strategic plan to ensure the successful implementation of the strategy in reality. The management process includes such measures as the distribution of potential forces and resources of the organization among its employees according to tasks, regular monitoring and coordination of their activities, control of actions according to plan, and control of results.

Table 1. Strategic management model in higher education institutions [12].

Step I <i>Purpose:</i> to have the primary information necessary for the development of the organization's strategy	Analyze and diagnosis / SWOT ➤ Analyzing the organization, its internal and external environment; ➤ Assessing the current status quo and current state of the organization; ➤ Identifying the existing problems and future direction of the organization.
Step II <i>Purpose:</i> to determine the most optimal strategy for the current state of the organization	Development of the strategy ➤ formation of alternative strategies; ➤ assessment of alternative strategies; ➤ choosing the most optimal strategy for the organization.
Step III <i>Purpose:</i> to develop the “road map” — a strategic plan — of the chosen strategy	Implementation of the strategy ➤ developing the strategic plan; ➤ assessment of the quality of the strategic plan and the target indicators; ➤ making necessary changes; ➤ implementation of the plan.
Step IV <i>Purpose:</i> to ensure the successful transfer of strategy to reality	Management of the implementation of the strategic plan ➤ coordinating the activities of the executors on the tasks; ➤ control; ➤ monitoring of the achieved results.
Step V <i>Purpose:</i> to evaluate the effectiveness of the strategy and make necessary changes	Assessment ➤ studying feedback on the effectiveness of the strategy based on the results achieved; ➤ identifying deviations from the plan by comparing the achieved results and target indicators; ➤ making necessary changes to the strategy.

**Figure 4. Recommendative sample of HEI strategic plan [13].**

Based on the results obtained at the final stage, it will be possible to evaluate the effectiveness of the chosen strategy. In this case, it is advisable to study the opinions of stakeholders, including managers, about the effectiveness of the strategy and analyze the achieved results based on comparison with targets or expectations. It is important that the opinions are impartial and free from subjectivity, as well as the reliability and non-exaggeration of the numerical indicators obtained for the analysis. The reason is that this process should not only evaluate the effectiveness of the strategy being implemented, but also allow the necessary conclusions to be drawn regarding the determination of the future strategic goals and directions of the organization.

Conclusion. The application of strategic management in the country's universities requires a unique approach based on the context of the activities of each university. The proposed strategic management model and model view of the strategic plan are advisory in nature and developed by absorbing the most important aspects of existing various approaches and assumptions, concepts, generalizing them and improving them accordingly. Each university can adapt them to its activities.

It should be noted that the introduction of strategic management methods into the activities of higher education institutions has had a good effect mainly in developed countries, in particular countries with a high share of the private sector in higher education and independent activities of higher education institutions. Taking into account the peculiarities of state policy in the field of education and the higher education system in the conditions of Uzbekistan, it is necessary not to lose sight of a number of factors that may cause certain difficulties in the implementation of strategic management at the local level. universities or have a negative impact on its effectiveness. The problems that may hinder or arise when introducing strategic management methods in universities of Uzbekistan include the following:

- potential difficulties in setting organizational strategy and targets due to the rapidly changing nature of centralized management and reform;
- that the organizational strategy may require many coordinations within the framework of a unified state policy in the field of education;
- lack of experience in strategic planning and strategic decision-making in university management structures based on operational and methodological management;
- lack of qualified education managers;
- financial instability and uncertainty.

In general, changing trends in the modern higher education market require universities to emphasize the qualities of efficiency, flexibility, foresight in decisions and actions, as well as competitive advantages that determine the position of universities in the market. Strategic management is one of the management methods tested in world practice that allows you to act effectively in a changing external environment. From this point of view, it is desirable to expand the independence of their activities in order to increase the possibility of applying strategic management methods in the universities of Uzbekistan.

Today, information plays an important role in ensuring the success and stability of an organization in any field. In most cases, the lack of necessary sources of information can also have a negative impact on increasing the awareness and flexibility of universities to changes in the external environment. Although universities regularly monitor the external environment on an independent basis, their resources for conducting large-scale research and collecting information may be limited. In this regard, it is necessary to regularly organize industry-wide or macro-level surveys and studies of labor market trends, including in-demand specialists, personnel shortages, changing requirements for specialists, "skills shortages" and other issues, as well as open information about their results. the formation of the base serves to create a number of amenities for HEIs.

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